

REQUIRES MONITORING  
OR STAFF ACTION \_\_\_\_\_

**COMMISSION DIRECTIVE**

ADMINISTRATIVE MATTERS	<input checked="" type="checkbox"/>	DATE	<u>08-23-2005</u>
MOTOR CARRIER MATTERS	<input type="checkbox"/>	DOCKET NO.	<u>2005-113-G</u>
UTILITIES MATTERS	<input type="checkbox"/>		_____

**SUBJECT:**

DOCKET NO. 2005-113-G – Application of South Carolina Electric and Gas Company for an Adjustment of Its Rates and Charges for Natural Gas Service, for New Depreciation Rates and Changes in Its Terms and Conditions of Service. Executive Session to discuss settlement agreement, to receive legal advice, and to take such other action as necessary.

**COMMISSION ACTION:**

Commissioner Hamilton moved to go into Executive Session to discuss settlement agreement, to receive legal advice, and to take such other action as necessary.

PRESIDING Mitchell

MOTION    YES    NO    OTHER

CLYBURN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FLEMING	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HAMILTON	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
HOWARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
MITCHELL	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
MOSELEY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
WRIGHT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Commissioner Hamilton moved to close Executive Session.

PRESIDING Mitchell

MOTION    YES    NO    OTHER

CLYBURN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FLEMING	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HAMILTON	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
HOWARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
MITCHELL	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
MOSELEY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
WRIGHT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Commissioner Hamilton made the following statement and motion:

I believe the Commission joins me in commending the parties to Docket No. 2005-113-G for their hard work in negotiating a proposed settlement in this docket to which all parties have agreed.

The Commission is appreciative of the difficulties in accomplishing such a task, and would therefore like to provide every opportunity to the parties to provide a full and fair explanation of their proposal.

Also, while this is a proposed settlement, it is still a request for a rate increase under Subsection 58-5-240, which requires the Commission to independently determine the lawfulness and reasonableness of the proposed changes.

This Commission has historically carried out that duty by reviewing certain information contained in the record of such proceedings, such as Cost of Service studies, depreciation studies, or information regarding the basis for any new or modified rates, all of which have traditionally been presented through the testimony of witnesses. It is therefore consistent with the Commission's statutory duties and with the parties' desire for approval of a settlement of all issues that the Commission communicate its need for certain additional information regarding the proposal.

Therefore, I move that the Commission request the following information from the parties to the Settlement Agreement:

1. The rate of return of each customer class for the test year and the projected rate of return of each customer class listed in the Settlement Agreement, including information on any supporting data or calculations used in deriving the rates of return by customer class which may be helpful to the Commissioners in evaluating the agreed upon rate design.
2. A more detailed explanation of the new Residential Value Service Rate including the number or percent of customers who would have qualified for the program during the test year and the number or percent of customers projected to qualify for this program, with a particular focus on whether the projections consider the potential impacts of higher rates on consumption.
3. Provide information regarding the market factors that led to the creation of new Rate 33 and how the rate was derived.
4. A more detailed explanation of the modifications to the ISP-R program, focusing on the rationale for changing the cost of gas component in the ISPR Program and how this was determined.
5. A more detailed explanation of the modifications to the Cost of Gas factor including the two-part Demand and Commodity rate structure and the calculation of monthly over and under collections.
6. Information on the physical work that remains for Environmental Clean-Up, with a focus on an explanation as to how the Company will ensure that consumers do not pay twice for Environmental Clean-Up during the transition from collecting these costs in the PGA to collecting them in base rates.
7. Supporting evidence to allow the Commission to evaluate the adjustments to depreciation rates.

In order to provide the parties with an opportunity to provide this information to the Commission, I also move that we ask the Hearing Officer, Joseph Melchers, to set a new pre-filing deadline and allow the parties to amend their witness lists if deemed appropriate. Also, I move that the Hearing Officer be given the authority to post any follow-up inquiries that might be necessary in light of responses from the parties.

PRESIDING

Mitchell

MOTION    YES    NO    OTHER

CLYBURN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FLEMING	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HAMILTON	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
HOWARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
MITCHELL	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
MOSELEY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
WRIGHT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Session: Regular

Time of Session    3:30 P.M.

APPROVED ☐

APPROVED STC 30 ☐

DAYS

ACCEPTED FOR FILING ☐

DENIED ☐

AMENDED ☐

TRANSFERRED ☐

SUSPENDED ☐

CANCELED ☐

SET FOR HEARING ☐

ADVISED ☐

CARRIED OVER ☐

RECORDED BY

JMM